

## Environmental Protection Agency

## § 1033.730

### § 1033.715 Banking emission credits.

(a) Banking is the retention of emission credits by the manufacturer/remanufacturer generating the emission credits (or owner/operator, in the case of transferred credits) for use in future model years for averaging, trading, or transferring. You may use banked emission credits only as allowed by § 1033.740.

(b) You may designate any emission credits you plan to bank in the reports you submit under § 1033.730 as reserved credits. During the model year and before the due date for the final report, you may designate your reserved emission credits for averaging, trading, or transferring.

(c) Reserved credits become actual emission credits when you submit your final report. However, we may revoke these emission credits if we are unable to verify them after reviewing your reports or auditing your records.

[75 FR 22987, Apr. 30, 2010]

### § 1033.720 Trading emission credits.

(a) Trading is the exchange of emission credits between certificate holders. You may use traded emission credits for averaging, banking, or further trading transactions. Traded emission credits may be used only as allowed by § 1033.740.

(b) You may trade actual emission credits as described in this subpart. You may also trade reserved emission credits, but we may revoke these emission credits based on our review of your records or reports or those of the company with which you traded emission credits.

(c) If a negative emission credit balance results from a transaction, both the buyer and seller are liable, except in cases we deem to involve fraud. See § 1033.255(e) for cases involving fraud. We may void the certificates of all engine families participating in a trade that results in a manufacturer/remanufacturer having a negative balance of emission credits. See § 1033.745.

### § 1033.722 Transferring emission credits.

(a) Credit transfer is the conveying of control over credits, either:

(1) From a certifying manufacturer/remanufacturer to an owner/operator.

(2) From an owner/operator to a certifying manufacturer/remanufacturer.

(b) Transferred credits can be:

(1) Used by a certifying manufacturer/remanufacturer in averaging.

(2) Transferred again within the model year.

(3) Reserved for later banking. Transferred credits may not be traded unless they have been previously banked.

(c) Owners/operators participating in credit transfers must submit the reports specified in § 1033.730.

### § 1033.725 Requirements for your application for certification.

(a) You must declare in your application for certification your intent to use the provisions of this subpart for each engine family that will be certified using the ABT program. You must also declare the FELs you select for the engine family for each pollutant for which you are using the ABT program. Your FELs must comply with the specifications of subpart B of this part, including the FEL caps. FELs must be expressed to the same number of decimal places as the applicable emission standards.

(b) Include the following in your application for certification:

(1) A statement that, to the best of your belief, you will not have a negative balance of emission credits for any averaging set when all emission credits are calculated at the end of the year.

(2) Detailed calculations of projected emission credits (positive or negative) based on projected production volumes. We may require you to include similar calculations from your other engine families to demonstrate that you will be able to avoid a negative credit balance for the model year. If you project negative emission credits for a family, state the source of positive emission credits you expect to use to offset the negative emission credits.

[73 FR 37197, June 30, 2008, as amended at 75 FR 22987, Apr. 30, 2010]

### § 1033.730 ABT reports.

(a) If any of your engine families are certified using the ABT provisions of this subpart, you must send an end-of-year report within 90 days after the end